

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-02301A  
Tortolita Water Co., Inc.  
3573 E. Sunrise Dr., Suite 125  
Tucson AZ 85718

**ANNUAL REPORT**  
**RECEIVED**

MAR 28 2005

AZ Corporation Commission  
Director Of Utilities

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Tortolita Water Co., Inc</u>		
<b>Mailing Address</b> <u>3573 E Sunrise Dr., Ste 125</u>		
(Street)		
<u>Tucson, AZ 85718</u>		
(City)	(State)	(Zip)
<u>(520) 615-9802</u>	<u>(520) 615-9789</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>same as above</u>		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Daniel H. O'Connell</u> <u>President</u>			
(Name)		(Title)	
<u>3573 E Sunrise Dr., Ste 125</u>		<u>Tucson, AZ</u>	<u>85718</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 615-9802</u>	<u>(520) 615-9789</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> _____			
(Name)			
(Street)		(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Daniel H O'Connell  
(Name)

3573 E Sunrise Dr., Ste 125 Tucson, AZ 85718  
(Street) (City) (State) (Zip)

(520) 615-9802 (520) 615-9789  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**COMPANY NAME** TORTOLITA WATER CO., INC

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	\$50,000.00	n/a	50,000.00
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	5,000.00	(5,000)	00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	764.00	(390.00)	374.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$55,764.00</b>	<b>(5390)</b>	<b>50,374.00</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

TORTOLITA WATER CO., INC

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	50,000	n/a	n/a
304	Structures and Improvements	20,000	per schedule approx 4%	837.00
307	Wells and Springs			
311	Pumping Equipment	5,000	fully depreciated	
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	764.00	SL	390.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>75,764.00</b>		<b>1227.00</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

### **BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1591.31	\$ 1063.96
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	1415.75	1415.75
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 3007.06	\$ 2479.71
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 5000.00	\$ 5764.05
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(5000.00)	(5390.00)
121	Non-Utility Property	70,000.00	70,000.00
122	Accumulated Depreciation – Non Utility	(10,541.00)	(11,378.00)
	<b>TOTAL FIXED ASSETS</b>	\$ 59,459.00	\$ 58,996.05
	<b>TOTAL ASSETS</b>	\$ 62,466.06	\$ 61,475.76

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

TORTOLITA WATER CO., INC

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	1400.00	2800.00
235	Customer Deposits	500.00	500.00
236	Accrued Taxes	67.54	85.17
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 1967.54	\$ 3385.17
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 1967.54	\$ 3385.17
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 400.00	\$ 400.00
211	Paid in Capital in Excess of Par Value	74,600.00	74,600.00
215	Retained Earnings	(14,501.48)	(16,909.41)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 60,498.52	\$ 52,090.59
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 62,466.39	\$ 61,475.76

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 00	\$ 757.49
460	Unmetered Water Revenue	425.00	00
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 425.00	\$ 757.49
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	416.21	480.22
618	Chemicals		
620	Repairs and Maintenance	517.73	1088.45
621	Office Supplies and Expense		40.96
630	Outside Services	3257.53	1375.00
635	Water Testing		
641	Rents	1400.00	4000.00
650	Transportation Expenses		
657	Insurance – General Liability	19.00	
659	Insurance - Health and Life		
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense	170.00	110.00
403	Depreciation Expense	727.00	1227.00
408	Taxes Other Than Income	22.54	40.17
408.11	Property Taxes	41.36	40.32
409	Income Tax	45.00	45.00
	<b>TOTAL OPERATING EXPENSES</b>	\$ 6616.37	\$ 8447.12
	<b>OPERATING INCOME/(LOSS)</b>	\$ (6191.37)	\$ (7689.63)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 9.09	\$ 6.70
421	Non-Utility Income	4425.00	5275.00
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 4434.09	\$ 5281.70
	<b>NET INCOME/(LOSS)</b>	\$ (1757.28)	\$ (2407.93)



COMPANY NAME

TORTOLITA WATER CO., INC

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan		N/A		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME

TORTOLITA WATER CO., INC

**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801242	5HP	22	700	8		1970

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15-20,000	1	2000gal	1

COMPANY NAME

TORTOLITA WATER CO., INC

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1020 lin ft
5		
6	PVC	860 lin ft
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	4
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

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OTHER:

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COMPANY NAME: TORTOLITA WATER CO., INC

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	2	not metered	
FEBRUARY	2	17850	17850
MARCH	2	19740	19740
APRIL	2	22240	22240
MAY	2	29180	29180
JUNE	2	46570	46570
JULY	3	44430	44430
AUGUST	4	72150	72150
SEPTEMBER	4	56800	56800
OCTOBER	4	30080	30080
NOVEMBER	4	34260	34260
DECEMBER	4	39216	39216
TOTAL		N/A	412,516

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. .0002 mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME TORTOLITA WATER CO., INC

YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 40.32

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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*Beth Ford*  
Pima County Treasurer



*Patti Davidson*  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

TORTOLITA WATER CO., INC.  
DANIEL H O'CONNELL/PRESIDENT  
3573 E SUNRISE DRIVE, #125  
TUCSON AZ 85718

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
903	60	6100	\$ 19.94	10/30/2004

PAYMENTS					
PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/22/2004	FULL YEAR	\$19.94	\$0.00	\$0.00	\$19.94
	TOTAL PAID	\$19.94	\$0.00	\$0.00	\$19.94

PROPERTY ADDRESS

TAX YEAR 2004 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

*Beth Ford*  
Pima County Treasurer



*Patti Davidson*  
Chief Deputy Treasurer

**PIMA COUNTY TREASURER'S OFFICE**

**PIMA COUNTY TAX RECEIPT**

TORTOLITA WATER COMPANY INC  
DANIEL O CONNELL/PRES  
3573 E SUNRISE DR STE 125  
TUCSON AZ 85718-3206

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
218	44	0650	\$ 20.38	10/30/2004

**PAYMENTS**

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/22/2004	FULL YEAR	\$20.38	\$0.00	\$0.00	\$20.38
	TOTAL PAID	\$20.38	\$0.00	\$0.00	\$20.38

**PROPERTY ADDRESS**

**TAX YEAR 2004 BALANCE DUE**

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

***Thank you for your payment!***

**BETH FORD**  
PIMA COUNTY TREASURER

COMPANY NAME TORTOLITA WATER CO., INC YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(2407)</u>
Estimated or Actual Federal Tax Liability	<u>00</u>

State Taxable Income Reported	<u>(1987)</u>
Estimated or Actual State Tax Liability	<u>45.00</u>

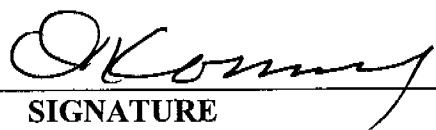
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3/23/05  
DATE

Daniel H. O'Connell  
PRINTED NAME

President  
TITLE



# RECEIVED

MAR 28 2005

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**AZ Corporation Commission  
Director Of Utilities**

**VERIFICATION**

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Daniel H O'Connell, President
COMPANY NAME	Tortolita Water Co., Inc

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 757.49

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 40.17  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

*[Signature]*

SIGNATURE OF OWNER OR OFFICIAL

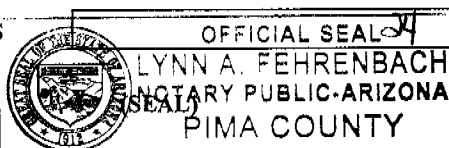
520-645-9802

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	Pima
MONTH	March
	2005

*[Signature]*

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Nov 8, 2007

# RECEIVED

MAR 28 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima		
NAME (OWNER OR OFFICIAL)	Daniel H. O'Connell	TITLE	President
COMPANY NAME	Tortolita Water Co., Inc		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 757.49

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 40.17  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*[Signature]*

SIGNATURE OF OWNER OR OFFICIAL

520-615-9802

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	Pima
MONTH	March
	2005

(SEAL)

MY COMMISSION EXPIRES

x *[Signature]*  
SIGNATURE OF NOTARY PUBLIC



OFFICIAL SEAL  
LYNN A. FEHRENBACH  
NOTARY PUBLIC-ARIZONA  
PIMA COUNTY

My Comm. Exp. Nov. 3, 2007

Tortolita Water Co.  
BALANCE SHEET  
December 31, 2004

## ASSETS

## CURRENT ASSETS

Nat'l Bank-Checking#16074864 \$ 1,063.96

TOTAL CURRENT ASSETS \$ 1,063.96

## PROPERTY AND EQUIPMENT

Land \$ 50,000.00  
Mobile Home 20,000.00  
A/D - Mobile Home (11,378.70)  
Equipment 5,764.05  
A/D - Equipment (5,389.67)

TOTAL PROPERTY AND EQUIPMENT \$ 58,995.68

## OTHER ASSETS

A/R-Benchmark Partners I \$ 1,415.75

TOTAL OTHER ASSETS \$ 1,415.75

TOTAL ASSETS \$ 61,475.39  
=====

Tortolita Water Co.  
BALANCE SHEET  
December 31, 2004

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Customer Security Deposits	\$	500.00
Sales Taxes Payable		40.17
ACCRUED TAXES		<u>45.00</u>

TOTAL CURRENT LIABILITIES \$ 585.17

NON-CURRENT LIABILITIES

A/P - Moore Corridor	\$	<u>2,800.00</u>
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TOTAL NON-CURRENT LIABILITIES \$ 2,800.00

EQUITY

Common Stock	\$	400.00
Additional Paid in Capital		74,600.00
Retained Earnings		(14,501.15)
NET INCOME (LOSS)		<u>(2,408.30)</u>

TOTAL EQUITY \$ 58,090.55

TOTAL LIABILITIES AND EQUITY \$ 61,475.72  
=====

**Tortolita Water Co.  
INCOME STATEMENT  
For The Period**

**January 01, 2004  
to  
December 31, 2004**

<input type="checkbox"/>	<b>SALES</b>	
<input type="checkbox"/>	Water Revenue	\$ 757.49
	Rental Income	<u>5,275.00</u>
	<b>Total SALES</b>	\$ <u>6,032.49</u>
<input type="checkbox"/>	<b>Total GROSS PROFIT</b>	\$ 6,032.49
<input type="checkbox"/>	<b>GENERAL &amp; ADMINISTRATIVE</b>	
<input type="checkbox"/>	Bank Service Charges	\$ 110.00
	Depreciation Expense	1,227.37
	Equipment Rental	1,600.00
	Utilities	480.22
	Legal & Accounting	350.00
	Miscellaneous Expense	40.96
	Outside Services	1,025.00
	Rent Expense	2,400.00
	Repairs & Maintenance	1,088.45
	Taxes - Real estate	40.32
	Taxes-Sales	<u>40.17</u>
<input type="checkbox"/>	<b>Total GENERAL &amp; ADMINISTRATIVE</b>	\$ <u>8,402.49</u>
<input type="checkbox"/>	<b>Total NET OPERATING INCOME (LOSS)</b>	\$ ( 2,370.00)
<input type="checkbox"/>	<b>OTHER (INCOME) AND EXPENSES</b>	
<input type="checkbox"/>	Interest Income	\$ <u>( 6.70)</u>
<input type="checkbox"/>	<b>Total OTHER (INCOME) AND EXPENSES</b>	\$ <u>( 6.70)</u>
<input type="checkbox"/>	<b>NET INCOME (LOSS)</b>	\$ ( 2,363.30)

**Tortolita Water Co.  
INCOME STATEMENT  
For The Period**

**January 01, 2004  
to  
December 31, 2004**

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<input type="checkbox"/>	INCOME TAXES	
<input type="checkbox"/>	State Income Tax	\$ <u>45.00</u>
<input type="checkbox"/>	INCOME TAXES	\$ <u>45.00</u>
<input type="checkbox"/>	NET INCOME (LOSS) AFTER TAX	\$ ( 2,408.30) =====